

Message Text

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TAGS: BGEN

SUBJ: CONDUCT OF AMERICAN BUSINESS IN IRAN

REF: TEHRAN 1394

1. SPECIAL ASSISTANT TO THE PRIME MINISTER PARVIS RADJI SUMMONED DCM JUNE 3 TO DISCUSS FURTHER QUESTION OF AMERICAN BUSINESS PRACTICES IN IRAN WITH SPECIFIC REFERENCE TO THE USE OF AGENTS AND MIDDLEMEN. RADJI HAD BEFORE HIM A COPY OF DOD/ISA, ASSISTANT SECRETARY ELLSWORTH'S MEMORANDUM TO THE SECRETARIES OF THE ARMY, NAVY AND AIR FORCE AND ITS ENCLOSURE (I-1915/75) ON THIS SUBJECT. HE SAID THAT THE FIRST AND ONLY QUERY THAT HAD BEEN SENT TO THE PRIME MINISTER'S OFFICE ABOUT THIS MATTER CAME RECENTLY FROM MR JAMES ZAND WHO HAS DONE BUSINESS IN IRAN FOR A NUMBER OF YEARS. ZAND HAD GIVEN RADJI A COPY OF A LETTER FROM LOCKHEED AIRCRAFT CORPORATION WHICH REFERRED INTER ALIA TO ASSISTANT SECRETARY ELLSWORTH'S COMMUNICATION AND NOTED THAT QTE A LITERAL INTERPRETATION SUGGESTS THAT ANY US COMPANY THAT EMPLOYS AN IRANIAN REPRESENTATIVE TO ASSIST IN OFFERING PRODUCTS AND SERVICES FOR SALE TO THE GOVERNMENT OF IRAN, RUNS A CONSIDERABLE RISK OF BEING BARRED FROM DOING BUSINESS IN IRAN. UNQTE IT GOES ON TO NOTE ZAND'S PAST VALUABLE CONTRIBUTIONS TO THE FURTHERANCE OF LOCKHEED'S

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BUSINESS IN IRAN BUT CONCLUDES QTE NOTWITHSTANDING YOUR IMPORTANT CONTRIBUTION TO THESE PROJECTS, IF THE INFORMATION CONTAINED IN THE ENCLOSED COMMUNICATION ACCURATELY STATES THE POLICY OF THE GOVERNMENT OF IRAN, THERE IS NO WAY WE CAN COMPENSATE YOU FOR YOUR

SERVICES WITHOUT RISKING EXPULSION FROM IRAN. UNQTE

2. RADJI SAID THAT ZAND WAS PARTICULARLY IRKED BY THE CIRCULAR'S REFERENCE TO THE TERM QTE MIDDLEMAN UNQTE WHICH HE REGARDED HIMSELF TO BE AND A LEGITIMATE ONE AT THAT. HE WENT ON TO ASSURE THE DCM THAT BOTH THE SUBSTANCE AND SPIRIT OF THEIR CONVERSATION OF FEBRUARY 8 (REFTEL) LEFT LITTLE ROOM FOR DOUBT AS TO THE GOI'S OBJECTIVES, BUT IT SEEMS POSSIBLE THAT LOCKHEED HAS PERHAPS INADVERTENTLY MISCONSTRUED THE GOI'S INTENTIONS. THEREFORE, IN AN ATTEMPT TO MAKE ITS AIMS CRYSTAL CLEAR AND TO AVOID FURTHER SEMANTIC MISINTERPRETATIONS, THE POSITION OF THE GOI IS BEING REITERATED IN AN AIDE MEMOIRE HE HANDED THE DCM.

3. RELEVANT PORTIONS OF THIS AIDE MEMOIRE READ AS FOLLOWS:
QUOTE AUTHORIZED, LEGITIMATE AND RECOGNIZED REPRESENTATIVES OF FOREIGN FIRMS, BY WHATEVER NAME THEY MAY WISH TO REFER TO THEMSELVES--AND THIS INCLUDES THE TERM MIDDLEMEN--ARE COMMON TO INTERNATIONAL BUSINESS ALL OVER THE WORLD AND ARE MORE THAN WELCOME TO PERFORM THEIR VALID ROLE IN IRAN. IRAN'S IS A FREE AND RAPIDLY GROWING ECONOMY AND IT IS NOT EVEN REMOTELY THE GOVERNMENT'S INTENTION TO DO ANYTHING TO HINDER THE ACTIVITY OR THE PARTICIPATION OF FOREIGN, AND PARTICULARLY AMERICAN, FIRMS IN THE DEVELOPMENT OF IRAN.

QUOTE HOWEVER, WHAT THE PRIME MINISTER IN PARTICULAR, AND THE IRANIAN GOVERNMENT IN GENERAL, WILL NOT TOLERATE, IS THE UNETHICAL INTERVENTION OF INDIVIDUALS, WHATEVER THEIR STATUS OR BUSINESS DESIGNATION, WHO THROUGH UNAUTHORIZED AND UNDER-THE-TABLE RECEIPTS OF MONEY, SEEK THEIR OWN FINANCIAL ENRICHMENT AT THE EXPENSE OF THE COUNTRY; AND IT MAY BE ADDED THAT IN SUCH ILLEGAL DEALINGS, THE IRANIAN GOVERNMENT VIEWS THE DONOR JUST AS GUILTY AS THE RECIPIENT.

QUOTE IT IS EARNESTLY HOPED THAT THIS NONE-TOO-LEGAL BUT HOPEFULLY ALL TOO CLEAR EXPRESSION OF THE GOVERNMENT'S VIEWS WILL REMOVE FROM IRAN'S MANY FUTURE DEALINGS WITH THE AMERICAN BUSINESS COMMUNITY, AND UNETHICAL AND POSSIBLY SCANDALOUS COMPLICATIONS THAT COULD ONLY DO HARM TO ITS HIGHLY VALUED AND CONSTRUCTIVE ASSOCIATION WITH AMERICAN BUSINESS. UNQUOTE.

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